

AMENDED IN SENATE MAY 31, 2011
AMENDED IN SENATE MARCH 25, 2011

SENATE BILL

No. 728

Introduced by Senator Hernandez

February 18, 2011

An act to add Section 100522 to the Government Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 728, as amended, Hernandez. Health care coverage.

Existing law, the federal Patient Protection and Affordable Care Act, requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and employers. Existing state law establishes the California Health Benefit Exchange within state government, specifies the powers and duties of the board governing the Exchange relative to determining eligibility for enrollment in the Exchange and arranging for coverage under qualified health plans, and requires the board to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers by January 1, 2014.

The federal Patient Protection and Affordable Care Act also requires that risk adjustments be made with regard to health insurers and health plans providing coverage in the individual or small group market within the state.

Existing law establishes the Office of Statewide Health Planning and Development and sets forth its powers and duties with respect to health facility construction, health policy and planning, and health professions development.

This bill would require the board of the California Health Benefit Exchange, *to the extent required by federal law*, to work with the Office of Statewide Health Planning and Development, the Department of Insurance, and the Department of Managed Health Care to develop a risk adjustment system for products sold in the Exchange and outside of the Exchange, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100522 is added to the Government Code,
2 to read:
3 100522. (a) ~~Pursuant to the requirements imposed under To~~
4 ~~the extent required by federal law, and in conformance with Section~~
5 ~~1343 of the federal act, and any rules or regulations issued under~~
6 ~~that section,~~ the board shall collaborate with the Office of
7 Statewide Health Planning and Development, the Department of
8 Insurance, and the Department of Managed Health Care to develop
9 a risk adjustment system for products sold in the Exchange and
10 outside of the Exchange.
11 (b) In developing the risk adjustment system, the board shall
12 be subject to the criteria and methods specified in Section 1343 of
13 the federal act. The board shall also consider ~~different~~ *various* data
14 collection processes for purposes of the risk adjustment system.
15 (c) “Risk adjustment” shall have the same meaning as described
16 in Section 1343 of the federal act.
17 (d) *No money from the General Fund shall be used for the*
18 *purpose of carrying out the provisions of this section.*